

# **FISCAL NOTE**

## **HB 724 - SB 1237**

April 1, 2007

**SUMMARY OF BILL:** Revises the requirements for the Tennessee HOPE and Merit scholarships and deletes the HOPE Access grant.

### **ESTIMATED FISCAL IMPACT:**

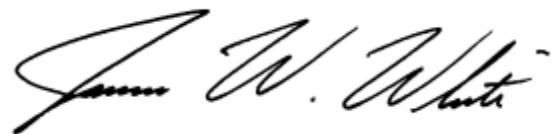
**Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$91,600,000 for FY07-08 and by \$126,700,000 in FY08-09.**

#### **Assumptions:**

- Reducing the GPA and ACT requirements is estimated to result in a first year expense of \$30,000,000 and a second year expense of \$45,000,000.
- Changing the General Assembly Merit Scholarship (GAMS) eligibility requirements is estimated to result in a first year expense of \$13,000,000 and an additional second year expense of \$22,000,000 if the ACT and GPA are lowered to 18 and 2.0 respectively.
- Reducing the 24-hour benchmark to 2.25 is estimated to result in a first year expense of \$26,600,000 if the ACT and GPA are lowered to 18 and 2.0 respectively. The additional second year expense is estimated to be \$17,700,000 if the GPA and ACT criteria remain as they currently are.
- Reducing the 48, 72, 96 and 120-hour benchmarks to 2.5 is estimated to result in a first year expense of \$22,000,000 and a second year expense of \$42,000,000 if the ACT and GPA are lowered to 18 and 2.0 respectively.
- First year expense \$91,600,000 (\$30,000,000 + \$13,000,000 + 26,600,000 + \$22,000,000).
- Second year expense \$126,700,000 (\$45,000,000 + \$22,000,000 + \$17,700,000 + \$42,000,000).

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director